

## **Lieutenant Governor John Garamendi Says Tranquillion Ridge Oil Lease Sale to Close Budget Gap is Reckless Fiscal Policy**

SACRAMENTO - Lieutenant Governor John Garamendi, the chair of the State Lands Commission, issued the following statement after California's Legislative leaders and the Governor agreed on a proposal to sell the Tranquillion Ridge oil lease (PXP) for \$100 million to close the budget gap. The approval, which bypasses the California State Lands Commission's authority, grants the first new oil drilling lease in California since the Santa Barbara oil spill 41 years ago.

"The Governor just put California's coastline up for sale when he had other options that don't put our natural resources at risk. He refused to approve a plan to tax oil companies that now extract oil in California to fund health care services, children's programs and education. California is the only oil producing state without an oil severance tax, and it would generate \$1.2 billion dollars annually for our state," Lieutenant Governor John Garamendi said. "Instead, we are taking dirty money. Big Oil has offered to California \$100 million dollars to seduce the state into granting the first new oil drilling lease in California since the Santa Barbara oil spill 41 years ago. The loan must be repaid by forgiving future royalty payments to California. This is an incredibly reckless fiscal policy."

In May, the State Lands Commission voted for a resolution to reject a Department of Finance proposal to bypass the SLC to permit oil drilling off the coast of California.

The State Lands Commission has had the authority to approve oil leases in California since 1938.